

**STATE OF NEW MEXICO  
ENVIRONMENTAL IMPROVEMENT BOARD**

**IN THE MATTER OF  
THE PETITION FOR HEARING  
REGARDING AIR QUALITY  
GCP REGISTRATION NO. 0001M10  
FOR THE DAGGER DRAW GAS PLANT  
Frontier Field Services, LLC  
*Petitioner.***

**EIB 22-03**

**FRONTIER FIELD SERVICES, LLC'S PETITION FOR HEARING  
ON THE NEW MEXICO ENVIRONMENT DEPARTMENT'S  
DENIAL OF GCP REGISTRATION NO. 00001M10**

Permit applicant Frontier Field Services, LLC ("Frontier") submits this petition to the Environmental Improvement Board, pursuant to NMSA 1978, §74-2-7 and 20.2.72.207 NMAC, for a hearing on the New Mexico Environment Department's ("NMED") December 16, 2021, denial of Frontier's November 15, 2021 application to register the Dagger Draw Gas Plant under General Construction Permit Oil and Gas ("GCP O&G"). In support of the Petition, Frontier states:

1. Frontier owns and operates the Dagger Draw Gas Plant located near Artesia, New Mexico. Frontier operates the plant under NSR Permit 0001-M7R1 and Title V Operating Permit P157-R3.
2. Frontier certifies that it has standing to file the petition.
3. This petition is timely filed with the Environmental Improvement Board within 30 days from the date notice was given of the permitting action under 20.2.1.202 NMAC.
4. On November 15, 2021, Frontier submitted an application to NMED to register the Dagger Draw Plant under GCP O&G. The application proposed process and equipment changes at the plant. Those changes will reduce the Plant's potential emission rate. The change from NSR

Permit 00-1-M7R1 and Title V Operating Permit P157-R3 to GCP O&G, requires Frontier to reduce allowable emissions.

5. On December 16, 2021, NMED denied Frontier's application. A true and correct copy of the denial is attached to this Petition.

6. In denying the application, NMED stated

The Dagger Draw Gas Plant controls the emissions from the amine unit using an Acid Gas Injection well (AGI). Control of emissions by AGIs was not reviewed or considered in the development of the GCP O&G. In addition, the H<sub>2</sub>S emissions associated with the AGI well compressors were not evaluated or modeled during the development of the GCP O&G. As a result, the GCP O&G does not contain the appropriate terms and conditions, including monitoring, recordkeeping, and reporting requirements that [NMED] establishes in case-by-case air permits for this type of equipment. Those terms and conditions are necessary to determine compliance with emission limits and to ensure that controls operate effectively as required under 20.2.72.210 NMAC.

Therefore, in accordance with GCP O&G Condition A100.H(2) and 20.2.72.208(A) NMAC, the registration under GCP O&G is denied.

7. Frontier disagrees that GCP O&G is not applicable to facilities controlling emissions from an amine unit using an AGI. Nothing in GCP O&G excludes facilities with AGI wells for controlling amine unit emissions. In fact, Condition A102 of GCP O&G describes the facilities covered by the permit as “[t]he function of the Facility [authorized under GCP O&G] is to treat, process, store and/or transport gases and liquids associated with the production of oil and gas, and/or *inject those substances or their byproducts into the earth* [SIC 1311, 1321, 4619, and 4922],” (Emphasis added).

8. The Dagger Draw Gas Plant, as proposed in the application, is consistent with the applicability criteria of GCP O&G. The function of the plant is to treat, process, and transport natural gas and inject CO<sub>2</sub> and H<sub>2</sub>S acid gasses, byproducts of the processing, into geologic formations for sequestration. As the application states, the primary SIC code for the Dagger Draw

Gas Plant is 1311, an SIC code specifically identified in Condition A102 of the GCP-O&G. Additionally, the air pollutant emitting equipment at the Dagger Draw Gas Plant includes compressor engines, heaters, reboilers, flares, amine units, and other equipment that is addressed in GCP O&G.

9. NMED's denial of Frontier's registration is contrary to its prior action approving a GCP O&G registration for a similar facility operated by another company, using the same amine treating process and acid gas injection as Frontier.

10. To the extent that NMED believes that GCP O&G does not adequately address emissions associated with AGI wells and associated equipment, NMED's remedy is to revise GCP O&G, not deny the application.

Frontier requests that (1) the Environmental Improvement Board review NMED's denial of GCP Registration No. 00001M10; (2) in accordance with 20.1.2 and 20.2.72.207 NMAC, hold a public hearing on the petition; and (3) for the reasons stated above, reverse NMED's denial of the application and approve Frontier's registration.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

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*Attorneys for Frontier Field Services, LLC*

### **CERTIFICATE OF SERVICE**

I hereby certify that on January 14, 2022, a true and correct copy of the foregoing *Frontier Field Services, LLC's Petition for Hearing on the New Mexico Environment Department's Denial of GCP Registration No. 00001M10* was served via electronic mail to the following:

John Verheul  
Deputy General Counsel  
Lara Katz  
Assistant General Counsel  
Office of General Counsel  
New Mexico Environment Department  
[John.verheul@state.nm.us](mailto:John.verheul@state.nm.us)  
[lara.katz@state.nm.us](mailto:lara.katz@state.nm.us)

Madai Corral, Hearing Clerk  
Environmental Improvement Board  
[Madai.Corral@state.nm.us](mailto:Madai.Corral@state.nm.us)

/s/ Louis W. Rose

Louis W. Rose



MICHELLE LUJAN GRISHAM  
GOVERNOR

JAMES C. KENNEY  
CABINET SECRETARY

December 16, 2021

Certified Mail No.  
Return Receipt Requested

Mary Taylor  
Environmental Manager  
Frontier Field Services, LLC  
1001 Conoco Road  
Maljamar, NM 88264

Re: Denial of Air Quality GCP Registration No. 0001M10 for the Dagger Draw Gas Plant

Dear Ms. Taylor:

This letter is in response to your air quality permit application dated November 12, 2021 to modify the Dagger Draw Gas Plant located near Artesia, New Mexico. The Department received the application on November 16, 2021.

The Dagger Draw Gas Plant is currently permitted under both a Title V and a PSD Synthetic Minor Permit, and this permit revision was submitted to convert the PSD permit to a minor source General Construction Permit Oil and Gas (GCP O&G). The intent of the GCP O&G is to register facilities under a general permit covering similar sources of air emissions. Sources registered for coverage under a general permit are homogeneous in terms of operations, processes and emissions, and are subject to the same or substantially similar requirements and are not subject to case-by-case standards or unique permitting requirements.

The Department has completed a review of the registration for the proposed project and has determined that the GCP-O&G registration cannot be issued. The Dagger Draw Gas Plant controls the emissions from the amine unit using an Acid Gas Injection well (AGI). Control of emissions by AGIs was not reviewed or considered in the development of the GCP O&G. In addition, the H<sub>2</sub>S emissions associated with the AGI well and compressors were not evaluated or modeled during the development of the GCP O&G. As a result, the GCP O&G does not contain the appropriate terms and conditions, including monitoring, recordkeeping, and reporting requirements that the Department establishes in case-by-case air permits for this type of equipment. Those terms and conditions are necessary to determine compliance with emission limits and to ensure that controls operate effectively as required under 20.2.72.210 NMAC.

Therefore, in accordance with GCP O&G Condition A100.H(2) and 20.2.72.208(A) NMAC, the registration under a GCP O&G is denied.

#### **Appeal Procedures**

20.2.72 NMAC, Section 207, provides that any person who participated in a permitting action before the Department and who is adversely affected by such permitting action, may file a petition for hearing before the Environmental Improvement Board. The petition shall be made in writing to the

Environmental Improvement Board within thirty (30) days from the date notice is given of the Department's action and shall specify the portions of the permitting action to which the petitioner objects, certify that a copy of the petition has been mailed or hand-delivered and attach a copy of the permitting action for which review is sought. Unless a timely request for hearing is made, the decision of the Department shall be final. The petition shall be copied simultaneously to the Department upon receipt of the appeal notice. If the petitioner is not the applicant or permittee, the petitioner shall mail or hand-deliver a copy of the petition to the applicant or permittee. The Department shall certify the administrative record to the board. Petitions for a hearing shall be sent to:

Secretary, New Mexico Environmental Improvement Board  
1190 St. Francis Drive, Runnels Bldg. Rm N2153  
P.O. Box 5469  
Santa Fe, New Mexico 87502

If you have any questions, please call Todd Sherrill in Santa Fe at 505-629-3125 or Rhonda Romero at 505-629-3934.

Sincerely,

A handwritten signature in black ink, appearing to read 'Liz Bisbey-Kuehn', with a stylized, flowing script.

Liz Bisbey-Kuehn  
Bureau Chief

cc via email: Adam Erenstein, Trinity Consultants